

**BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF DELAWARE**

IN THE MATTER OF REQUEST FOR)	
APPROVAL OF DELMARVA POWER & LIGHT)	
COMPANY’S 2020-2021 STANDARD OFFER)	PSC DOCKET NO. 20-0236
SERVICE RATES, PROCUREMENT COST)	
ADJUSTMENT AND RARM FILING)	
(FILED MARCH 30, 2020))	

ORDER NO. 9733

AND NOW, this 27th day of January 2021, the Delaware Public Service Commission (“Commission”) determines and orders the following:

WHEREAS, on March 30, 2020, Delmarva Power & Light Company (“Delmarva”) filed revised electric tariffs reflecting revised Standard Offer Service (“SOS”) rates, a revised Procurement Cost Adjustment (“PCA”), and a revised Reasonable Allowance for Retail Margin (“RARM”) with an effective date of June 1, 2020, with proration (the “2020 SOS-PCA-RARM Filing”);¹ and

WHEREAS, on April 22, 2020, the Commission adopted Order No. 9577, which approved the proposed tariff rates included in the 2020 SOS-PCA-RARM Filing on a temporary basis, subject to refund; and

WHEREAS, pursuant to Order No. 9577, Delmarva published on May 5, 2020, in the *Delaware State News* and *The News Journal*, public notice of the SOS-PCA-RARM Filing and the deadline of June 26, 2020 to file comments or objections or to file petitions to intervene; and

¹ The 2020 SOS-PCA-RARM Filing includes information required pursuant to several Commission Orders, including Order No. 6746 (Oct. 30, 2009), Order No. 7162 (Apr. 27, 2007), Order No. 8258 (Apr. 13, 2012), Order No. 8144 (May 15, 2012), Order No. 8093 (Dec. 20, 2011), and Order No. 8450 (Sept. 10, 2013).

WHEREAS, on April 7, 2020, the Delaware Division of the Public Advocate (“DPA”) filed its Statutory Notice of Intervention; otherwise, no petitions to intervene or objections or comments were filed with respect to the 2020 SOS-PCA-RARM Filing; and

WHEREAS, after submitting its filing, Delmarva provided workpapers supporting the proposed electric tariff changes and bill impact information which reflected a proposed monthly increase of \$0.14 (or an increase of 0.13%²) for a residential customer using 845 kWh per month on an annual average basis; and

WHEREAS, Delmarva also provided workpapers supporting the results of the RARM factor on an actual basis for the RARM reporting year ending December 31, 2019 and determined that the total RARM factor for fixed price customers decreased from \$0.001038 to \$0.000334 or by 67.82% from the RARM factor currently in effect. Therefore, a new RARM factor, as part of the Standard Offer Service rate, would go in effect June 1, 2020;³ and

WHEREAS, Staff met with Delmarva in one workshop to review the 2020 SOS-PCA-RARM Filing and related workpapers; and

WHEREAS, there was a *de minimis* expense in the amount of \$133.04 that was incorrectly charged to the RARM and will be reversed in Delmarva’s 2021 SOS-PCA-RARM filing; and

WHEREAS, Staff, DPA, and Delmarva agree in principle to work together in the near future to clarify certain aspects of the Settlement Agreement contained in Order No. 7703,

²This does not include the RPS Charge or the Qualified Fuel Cell Provider Renewable Charge (“QFCP-RC”) or any changes in distribution rates.

³See Order No. 7703 (Dec. 22, 2009), attached settlement agreement, providing that where the change in the total RARM rate exceeds +/-5.25%, Delmarva is required to submit a formal filing for the Commission’s review.

including Exhibit A for the limited purposes of creating consistency and eliminating ambiguity, as well as to better represent the Company's current practices; and

WHEREAS, in late 2019 and early 2020, Delmarva conducted its fifteenth annual SOS procurement for supply contracts commencing on June 1, 2020, using a Commission-approved reverse auction process;⁴ and

WHEREAS, Staff published notice on December 31, 2020 in *The News Journal* and the *Delaware State News* of the evidentiary hearing to be held on January 27, 2021; and

WHEREAS, the Commission held the noticed evidentiary hearing on January 27, 2021, at which Staff and Delmarva presented witnesses who testified that the 2020 SOS-PCA-RARM Filing, all related workpapers, and proposed rates and tariff changes comply with previous Commission orders,⁵ comport with the bidding results reflected in Liberty Consulting Group, Inc.'s Technical Consultant's Final Report to the Commission titled "Delmarva Power & Light's 2020 Request for Proposals for Full Requirements Wholesale Electric Supply for Standard Offer Service" dated February 19, 2020, and reflect the total supply costs for which Delmarva requested recovery; and

WHEREAS, Staff submitted its Memorandum to the Commission, which is incorporated herein by reference, wherein Staff recommends final approval of Delmarva's proposed tariff revisions as set forth in the 2020 SOS-PCA-RARM Filing for the period June 1, 2020 through May 31, 2021;

NOW, THEREFORE, IT IS HEREBY ORDERED BY THE

⁴See Order No. 6746 (Sept. 1, 2005) for background on the original auction process. See Order No. 7461 (Oct. 7, 2008) for background on the revised, reverse auction process.

⁵ See also, Staff's Memorandum, incorporated herein, addressing the RARM component in Order No. 7703.

AFFIRMATIVE VOTE OF NOT FEWER THAN THREE COMMISSIONERS:

1. The proposed rates and tariff changes included in the 2020 SOS-PCA-RARM Filing with an effective date of June 1, 2020, for the period ending May 31, 2021, are approved as final.

2. The Commission reserves jurisdiction and authority to enter such further Orders in this matter as may be necessary or proper.

BY ORDER OF THE COMMISSION:

Dallas Winslow, Chairman

Joann Conaway, Commissioner

Harold Gray, Commissioner

Manubhai "Mike" Karia, Commissioner

Kim F. Drexler, Commissioner

ATTEST:

Secretary